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July 20, 1998

**CERTIFIED MAIL
RETURN RECEIPT REQUESTED**

James L. Tetrault
Assistant Account Executive
Travelers Property Casualty
One Tower Square
Hartford, CT 06183-1052

**Re: Insured: Group R Co., Inc.
Site: Bunker Hill Mining Facility Coeur d'Alene Basin, Idaho
Claim: Potential claim for Environmental Resource Damages**

Dear Mr. Tetrault:

We have received your letter of June 10, 1998, wherein you inform us that you are handling this matter on behalf of Aetna Casualty and Surety Company k/n/a Travelers Casualty and Surety Company. As you requested, enclosed is a copy of our original notice letter to Aetna. (Note, the letter is dated October 31, 1997, and not August 29, 1997, as you indicated in your June 10th letter).

In your letter you state that, based on the information contained in our May 27, 1998, letter, "it is evident that Group R will not be included in the United States of America v. Asarco Inc., et al. lawsuit." As you know, our May 27th letter states that the United State's and Coeur d'Alene Tribe's motions to add Group R as a defendant have been denied without prejudice and that the United States and the Tribe have the right to renew those motions at a later date. Accordingly, Group R expressly reserves its right to seek coverage under the policies listed in our October 31st letter if the United States and the Tribe renew their motions or approach Group for settlement. In this regard, we will continue to monitor the litigation closely and will update to you on any relevant developments.

USEPA SF



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LS 003565

65 Livingston Avenue

Roseland New Jersey
07068-1791



Telephone 973.597.2500
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www.lowenstein.com

GRP "R" CDA dm - 0013

James L. Tetrault
Page 2

July 20, 1998

If you have any questions or require any additional information, please do not hesitate to contact me or Michael David Lichtenstein of this office.

Very truly yours,


David M. Wissert

M2377/59
07/19/98 0540202.01

Enclosure(s)

cc: Michael David Lichtenstein, Esq. (w/o encl.)

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LS 003566

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October 31, 1997

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NORMAN W. SPINDEL
STUART S. YUSEM
HARVEY SMITH
DAVID E. ALPERT

VIA CERTIFIED MAIL
(RETURN RECEIPT REQUESTED)

Aetna Casualty & Surety Co.
151 Farmington Avenue
Hartford, CT 06156

Re: Potential Claim for Environmental Damage in the
Coeur d'Alene Basin, Northern Idaho
Insured: Group R Co., Inc.
Policy No.: 08 XN 154 WCA (6/15/79 - 8/31/79)
08 XN 160 WCA (8/31/79 - 8/31/80)
08 XN259WCA (10/1/84 - 10/1/85)

Dear Sir or Madam:

We write on behalf of Group R Co., Inc. ("Group R"). Group R is the successor by merger to the Golconda Corporation (formerly known as the Golconda Lead Mines, Inc. (from 1927-1962) and the Golconda Mining Corporation (from 1962-1970)) and was formally known as the RegO Company (from 1977-1978) ("RegO") and RegO Group, Inc. (from 1978-1992) ("RegO Group"). From 1974 through 1976, Cerro Corporation ("Cerro") owned approximately 85% of the shares in Golconda Corporation. In 1976, Cerro was merged into the Cerro-Marmon Corporation ("Cerro-Marmon") and Cerro-Marmon continued to hold an 85% interest in Golconda. In 1977, Cerro-Marmon changed its name to The Marmon Group, Inc. ("Marmon Group") and continued to own 85% of Golconda/RegO/RegO Group until 1985, when Marmon Group purchased the outstanding 15% of stock in RegO Group and became the owner of 100% of the stock.

On or about August 29, 1997, the United States Department of Justice and the Coeur d'Alene Tribe filed motions in the United States District Court for the District of Idaho seeking leave to amend their complaints to add Group R as a defendant and seeking contribution pursuant to CERCLA

October 31, 1997

toward the cleanup costs of the Coeur d'Alene mining district in Northern Idaho as well as Natural Resource Damages. A copy of those motions are attached for your information.

Your company provided insurance coverage to either Golconda Corporation, Cerro, Cerro-Marmon, the Marmon Group, Marmon Holdings, Inc., the Pritzker Interests (including all divisions, subsidiaries and affiliates thereof) and/or Group R which obligates it to both defend and indemnify Group R against this claim. Kindly acknowledge your receipt of this notice and your acknowledgment of your defense and indemnity obligations by sending a written letter to Michael David Lichtenstein, Esq., Lowenstein, Sandler, Kohl, Fisher & Boylan, 65 Livingston Avenue, Roseland, New Jersey 07068.

Should you have any questions please do not hesitate to contact the undersigned.

Very truly yours,



Michael David Lichtenstein

MDL/nap
Enclosure

cc: Michael L. Rodburg, Esq.
William T. Sweeney (The Marmon Group, Inc.)

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LS 003568

P 954 481 712

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PS FORM 3800

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3. Article Addressed to: Astra Casualty & Surety Co. 151 Farmington Avenue Hartford, CT 06156		4a. Article Number P 954 481 712	
		4b. Service Type <input checked="" type="checkbox"/> CERTIFIED	
5. Received By: (Print Name)		7. Date of Delivery NOV 3 1997	
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